

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

November 19, 2009

Mr. Fritz Henderson
Chief Executive Officer
General Motors Corporation
300 Renaissance Center
Detroit, MI 48234

Dear Mr. Henderson,

We are writing to request an update on the assurances you provided the Committee in June regarding issues related to General Motors (GM) restructuring process and related dealership terminations. We are also very interested in receiving an update on the negotiations that have been ongoing between GM and its dealers during the past several weeks.

Given the federal government's ownership stake in GM, it is our shared obligation to ensure all impacted dealers are treated as fairly as possible. We continue to urge you to take all actions necessary to uphold the assurances you provided earlier, as well as to achieve a mutually agreeable and timely outcome to the negotiations between GM and the dealers.

Participation Agreements

In your letter to the Senate Commerce Committee dated June 12, 2009, you attached a letter to dealers clarifying questions about the participation agreements. Please provide an update on dealer response to these modifications, any unresolved matters, as well as the number of participation agreements that were not returned.

Rural Customer Service

In your June 12, 2009, letter, you stated that GM would perform market analyses to ensure customer service in rural areas would not be adversely affected by dealership closings. It is important that customers not be saddled with an extra burden of having to travel long distances to have their vehicle serviced. Please update us on the status of that examination on rural customer service and any results this examination has on market re-entry.

Market Re-Entry

In our letter to you dated June 9, 2009, we requested that GM notify profitable terminated dealers of new GM dealership opportunities that become available in the area. You responded that new dealerships would open in the same location as a terminated dealership only in rare instances, but that if such an occurrence were to happen, you would notify prior dealers. Has this, or is this, expected to occur? If so, have previous dealership owners been notified of such action and been given the right of first refusal?

GM Technician Placement Assistance

Also in your June 12, 2009 letter, you discussed placement assistance plans for GM-trained mechanics. What steps have you taken to assist mechanics who were displaced from their job as a result of the dealership closings?

Dealer Negotiations

Please provide us with a detailed update on the ongoing negotiations between GM and the dealers, informing us of any agreements that have been reached, including any changes with respect to the number of dealerships on the closure list. In addition, please identify any outstanding matters, and explain how you intend to resolve those issues and the expected timeframe.

As you know, GM's unprecedented bankruptcy has greatly impacted dealers, consumers, employees, small businesses, and communities across the country. It is crucial that outstanding issues be resolved as expeditiously and efficiently as possible to provide the least amount of hardship to both GM and its dealers. We appreciate your continued attention to these issues and look forward to your response.

Sincerely,

Jay Ruppelle

Kay Bailey Hutchison

Bill Nelson

Dominic S. Snow

Byron C. Dwyer

John R. Smith

Wally

Ray H. Winter

Barbara B. B.

Deborah L. L.

Frank R. Lauberg

David Vatt

Mark Royce

Sam Brownback

Ang Klobuchar

Mike Johanns

Tom Udall

Care McCoskel

Mimi Carls

Paul Begala

Mark R. Warner

John F. Kerry